

EPA To Play Key Role In Obama CCS Plan Drawing From Stalled Bills

President Obama's call for a new interagency task force to examine regulatory and other barriers to carbon capture and storage (CCS) sets the stage for greater engagement by EPA and other agencies on the issue, echoing similar mandates for a federal plan on boosting CCS included in climate and energy bills that remain stalled on Capitol Hill.

The task force, created by the president in a Feb. 3 memorandum, could also provide a fresh venue for reviving long-running debates over the administrative or legislative incentives necessary to spur broad industry adoption of the technology, which captures carbon dioxide (CO₂) from facilities and stores it underground. The technology is seen as a leading future option to reduce industrial facilities' emissions of CO₂ under a carbon control regime.

The scope of the debate over the nascent task force could also address calls by some lawmakers to create liability limitations for adopters of CCS, in order to ensure liability concerns do not freeze CCS projects.

Obama in the memorandum establishes an interagency task force led by EPA and the Department of Energy (DOE) charged with developing a proposed plan aimed at addressing the barriers to widespread deployment of CCS technology within 10 years. In the memorandum, the president articulates a goal of bringing 5 to 10 commercial demonstration projects online by 2016. The initial proposed task force plan is due within six months.

The task force will "explore incentives for commercial CCS adoption and address any financial, economic, technological, legal, institutional, social or other barriers to deployment," according to the memo. The task force will also weigh options for how to best coordinate existing administrative authorities and identify areas where additional "administrative authority" may be necessary, says the president's memo.

The creation of a task force to examine barriers to CCS is similar to a mandate in House-passed climate legislation. That provision calls for EPA, in consultation with the DOE, the Department of Interior and other "relevant federal agencies" to submit a report to Congress within a year of enactment setting forth a "unified and comprehensive" strategy to address key legal, regulatory and other barriers to the commercial scale deployment of CCS. Similar language was included in the Senate climate bill floated in 2009 by Sens. John Kerry (D-MA) and Barbara Boxer (D-CA). The one-year time frame in the legislation would give the agencies longer than the memo's 180-day deadline for a plan.

The memo's focus on bringing 5 to 10 plants online by 2016 also is roughly in line with broad energy legislation approved by the Senate Energy & Natural Resources Committee in 2009 that includes a provision calling for liability protections for the first round of CCS facilities. Specifically, the committee-approved plan would establish a national indemnity program at DOE for up to 10 CCS plants. The House and Senate plans, at least for the moment, remain in legislative limbo.

White House energy and climate chief Carol Browner, on a Feb. 3 press call announcing the task force and several separate administration energy initiatives aimed at boosting biofuels, said passage of comprehensive energy and climate legislation is still necessary, but "in the meantime the administration will continue to work together using its resources and authorities to establish the foundation for a clean energy economy."

Several observers predict an effort by industry, activists and lawmakers to weigh in and reiterate to the administration their views on what the task force should evaluate. One Senate source predicts that lawmakers are also likely to query the administration for more specifics on the task force's deliberations.

Activists Seek Public Input

Environmentalists who back CCS technology say they have unanswered questions about the memorandum, including what level of public input will be allowed in the task force.

However, environmentalists are also seizing on the six month deadline for issuing a preliminary report as evidence that CCS, and therefore emissions reductions from coal plants, can be implemented within 10 years, rather than over longer time-frames that some in industry argue are more realistic.

Environmental Defense Fund's Scott Anderson in a Feb. 3 blog post argues that there are only two "fundamental" barriers to CCS -- the lack of a carbon cap or other "incentives" under the Clean Air Act to prod reductions, and lack of a regulatory framework. On the latter, Anderson cites the need for EPA's upcoming drinking water rules governing CCS wells and additional regulation to verify that air emissions are not occurring at CCS projects.

Anderson outlines a number of other issues the task force may want to consider, including improving U.S. Geological Survey techniques for assessing CCS capacity; development of leasing policies for federal lands; assisting research and development efforts on carbon capture costs; and assisting in determining the suitability of specific geologic sites for CCS. Anderson cites three additional areas as worthy of discussion but which he argues are not make or break items, specifically clarification of ownership of underground storage space; eminent domain issues, and whether to indemnify early adopters. Power sector and other sources have argued that those last three issues are among the most important unresolved questions facing CCS. -- *Doug Obey*

292010_stalled